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THE FEDERAL INVESTMENT IN HIGHER EDUCATION, THE NEED FOR A SUSTAINED COMMITMENT.

AMERICAN COUNCIL ON EDUCATION, WASHINGTON, D.C.

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BECAUSE OF THE INTERDEPENDENCE OF HIGHER EDUCATION AND THE FEDERAL GOVERNMENT, THE POSITION OF THE AMERICAN COUNCIL ON EDUCATION IS THAT THE GOVERNMENT SHOULD HAVE AN ACTIVE ROLE IN STRENGTHENING HIGHER EDUCATION. THE GOVERNMENT'S SHARE IN FACILITIES CONSTRUCTION PROJECTS SHOULD BE INCREASED, AND EMPHASIS ON EXPANSION OF ENROLLMENT CAPACITY SHOULD BE LIBERALIZED. PROGRAMS IN HOUSING AND STUDENT AID SHOULD BE EXPANDED. MATCHING PROVISIONS IN NDEA LOAN PROGRAMS SHOULD BE RELAXED, ELIGIBILITY FOR LOANS SHOULD BE BROADENED, AND THE FORGIVENESS FEATURES SHOULD BE CURTAILED OR ELIMINATED. WORK STUDY PROGRAMS SHOULD CONTINUE AT THE PRESENT SUPPORT LEVEL. THE GUARANTEED LOAN PROGRAM, WHICH HAS BEEN GENERALLY UNSUCCESSFUL, NEEDS RESTUDY. THE NDEA FELLOWSHIPS, WITH THEIR EMPHASIS ON PREPARATION FOR THE DOCTORATE, SHOULD BE SUPPLEMENTED BY OTHER TEACHER EDUCATION PROGRAMS AND EXTENSION OF THE NDEA INSTITUTES TO INCLUDE COLLEGE TEACHER PROGRAMS. FISCAL RELATIONSHIPS BETWEEN THE GOVERNMENT AND HIGHER EDUCATION NEED REEXAMINATION AND PREPARATION OF A MASTER PLAN, ESPECIALLY WITH RESPECT TO COST SHARING, GOVERNMENT RESEARCH POLICY, HEALTH PROGRAMS, AND GENERAL INSTITUTIONAL SUPPORT. COPIES ARE ALSO AVAILABLE WITHOUT CHARGE FROM THE PUBLICATIONS DIVISION, AMERICAN COUNCIL ON EDUCATION, 1785 MASSACHUESETTS AVENUE, N.W., WASHINGTON, D.C. 20036. (WO)

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THE FEDERAL INVESTMENT IN HIGHER EDUCATION

THE NEED FOR A SUSTAINED COMMITMENT

UNIVERSITY OF CALIF.
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American Council on Education

Logan Wilson, *President*

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The Federal Investment in Higher Education

The last five Congresses and three Administrations have demonstrated, since the enactment of the National Defense Education Act of 1958, a conviction that the Nation's security, welfare, and continued prosperity depend heavily on its system of higher education. This conviction has led to the investment of increasingly large sums in programs designed to strengthen and expand that system.

Higher education, in turn, has responded in a way never before equaled in any age or in any country to meet the Nation's demands for the education of unprecedented numbers of students, for research in virtually all fields of knowledge and for service in the solution of increasingly complex problems.

The relationship which has thus evolved is different from any previously known between a government and its academic community. It has given rise to problems for which we are still seeking solutions and will undoubtedly generate new ones as the relationship is worked out. Nevertheless, it is clear that the Federal Government must continue to depend heavily on higher education to undertake a multitude of tasks. Higher education must, in turn, rely heavily on the Government to provide strong and sustained financial support. In times of crisis it may be possible to postpone or slow down programs which, while highly desirable, are not vital to the Nation's welfare. But the duties that higher education must perform cannot be set aside. Young people must be taught; manpower must be trained; faculties must be kept intact; answers to complex problems must be found. If higher education is to plan efficiently and accomplish its tasks, it must count on a steady flow of support. The fitful turning on and off of a faucet is not a method of economy; it is a guarantee of waste, both in dollars and in human resources.

In the paragraphs that follow, the American Council on Education presents its views on actions that should be taken by the Federal Government to help strengthen higher education so that it can meet the demands the nation is making on it.

ACADEMIC FACILITIES

It has been apparent for almost two decades that one of higher education's critical problems is to expand rapidly enough to meet the pressure of numbers. Every projection made in the past has underestimated the number of young people who would seek education beyond the high school. Even more grave is the underestimation of the number of years of education required by our increasingly complex society. Graduate and other postbaccalaureate schools are the most rapidly growing segment of higher education, and there is no likelihood that such expansion can or should be reversed. Indeed, in some areas, such as medicine and health-related disciplines, the gap between demand and capacity to meet it is growing disastrously.

For these reasons we believe, as we have in the past, that the Federal Government should give massive assistance to higher education for the construction of facilities. This is not a glamorous or exciting proposal; it does not have in it the glitter of innovation. But higher education cannot perform its tasks unless it has an adequate plant in which to perform them.

In making this proposal, we are handicapped by inadequate data. Nowhere are there figures on which to base solid estimates of the total need for facilities either now or in the decade ahead. The funds provided by the 89th Congress for studies by the state commissions should, however, help to provide some of these data. Pending the results of these studies, we continue to hold that construction at a current annual rate of at least $3 billion will be required.

Matching Requirement

Titles I and II of the Higher Education Facilities Act of 1963 (HEFA) stipulate that the Federal share in meeting the development cost of facilities may not exceed one-third in the case of a four-year college or university facility or 40 percent in the case of a public junior college. We recommend that the permissible maximum for a Federal grant be raised to 75 percent for all types of facilities under this act.

Experience with the program to date indicates that many institutions cannot participate in the program because they are unable

to secure the necessary matching funds. Often these are the very institutions which seek to educate large numbers of students for whom the economic barriers to college are considerable and for whom Federal student aid programs have been enacted. The present high ratio of the non-Federal to the Federal share forces upon institutions some harsh alternatives: they resign themselves to the decision that expansion is impossible; or raise their fees so that the students themselves will pay for the cost of the buildings; or divert income from gifts, which should be used to strengthen their educational programs, to investment in bricks and mortar.

We do not advocate the establishment at this time of a minimum Federal share. The state commissions were established in the belief that such a mechanism, working within well-defined guidelines, is the one best suited to determine the needs within each state. If this mechanism is to work, it must be accorded some degree of flexibility. Certainly the goal of the commissions should be to move toward assigning the maximum Federal share authorized by the Congress. But to establish a minimum would place them in a strait jacket and deny them the exercise of judgment in the allocation of funds.

Emphasis on Expansion

The most significant feature of the HEFA is its emphasis on expansion of enrollment capacity. We believe that the emphasis is, in general, a proper one. Nevertheless, the terms of the act virtually preclude participation by institutions which, for a variety of sound reasons, are unable to expand. They can be healthy and vigorous only if they limit the size of their student bodies in relation to the resources available to them. Opportunity should be provided within the act for institutions to expand certain parts of their programs, even though their total enrollment may not expand. In addition, there should be a provision to enable institutions with stable enrollments to participate so that they may better perform their tasks. They need support in their efforts to eliminate obsolete and costly plant, to renovate existing plant, and to construct modern plant both to meet the needs of new curricula and to gain an efficiency and economy of operation often impossible under existing conditions.

HOUSING

Equal in importance to the need for academic facilities is the need for college housing and related facilities. Access to higher education is severely curtailed if, in residential colleges, the number of living spaces is inadequate. In institutions serving large numbers of commuting students, provision of student centers and eating facilities is similarly essential. Existing housing facilities are overcrowded, and more and more students are daily traveling great distances to and from the campus because no housing is available nearby. The result is inordinate waste in both dollars and effectiveness of education.

An independent study, conducted under American Council auspices, suggests that approximately $1.5 billion per year will be needed for college housing for the next ten years. Not all of this demand need be supplied through Federal, or indeed any form of subsidized, support. In fact, some of it may well be supplied through commercial, profit-oriented enterprise.

Nevertheless, we believe it essential that the Federal Government assure the availability of a minimum of $1 billion per year for the next ten years in the form of long-term, low interest loans for the construction of housing facilities. The need is as great in sparsely settled rural areas, where the student must obviously travel to the institution, as in urban areas, where transportation is becoming increasingly complex and expensive and where the urban circumference is expanding.

In general, housing and related facilities, such as student centers, can be financed appropriately through loans. If forty- or fifty-year loans at no more than 3 percent interest are provided, they can be self-liquidating through reasonable room charges to students. We believe that in the future, as in the past, providing these loans under Government auspices requires only a small investment of public funds.

To date the Federal College Housing Loan Program can be regarded as a profit-making enterprise. There have been no defaults; the interest charged has more than covered the cost of money to the Treasury and of administrative expenses. At the moment, a maximum interest charge of 3 percent would require a small subsidy by the Government. Nevertheless, in terms of actual outlay, probably no supporting program for higher education is less ex-

pensive to the taxpayer in relation to value received than the college housing program.

We recognize the impact on the Federal budget of an annual $1 billion program of direct loans. We will gladly support any reasonable proposals to lighten that impact. Possibly the Participation Sales Act provides the proper approach. Perhaps there are other ways to engage the commercial money market, such as providing interest subsidies, that offer better hope. Our concern is to construct the necessary housing and make it available to students at reasonable prices. We are convinced that this can be done with minimum expense to the Treasury.

STUDENT AID

The development of federally supported student aid programs has been, and continues to be, an important priority. In the main, legislation enacted through the National Defense Education Act (student loans) and the Higher Education Act of 1965 (opportunity grants, work-study, guaranteed loans) provides an ideal mechanism for assuring that all who can profit from higher education, regardless of their circumstances, shall have access to it. We urge continuation of all these programs. We also urge a careful reassessment of certain specific provisions.

NDEA Loan Program

The backbone of all of the Government's programs for student aid is unquestionably the NDEA Student Loan Program. Its growth from a $6 million appropriation in 1959 to an authorization of $225 million for fiscal year 1968 is evidence of both its utility and its acceptance. Nevertheless, this very growth suggests the need for reassessment.

One cannot ignore the impact that Federal programs of this magnitude have on the administrative budget. It seems appropriate, therefore, that new ways of funding the program be explored. We believe that, as in the case of loans for academic and housing facilities, we may well have reached the time when we should turn to the commercial market for some of the funding. Here again the Participation Sales Act may offer a viable method. There are undoubtedly ways by which institutions' needs for loan funds may be met through the commercial market. We are convinced, however,

that institutions must directly control sufficient funds to make direct commitments to needy students so that they, in turn, may be assured adequate funds to continue their education.

At the present time almost $100 million in institutional funds are locked in the NDEA loan program because of the required 10 percent institutional share. Return on the investment of these funds is unavailable to the institutions for their general purposes since it must be plowed back into the loan program. We do not suggest that funds already committed be unlocked. They, along with the Federal capital contribution, can now provide a revolving fund of approximately $1 billion for student loans. Nevertheless, we must find a new approach so that institutions will not have to tie up an ever-increasing percentage of their own funds in the NDEA loan program. We urge that, whatever method is devised for providing the Federal capital contribution, institutions be relieved of having to put up a matching share. If, in order to assure proper stewardship and proper collection procedures, it is deemed necessary that institutions have some stake in the program, we would urge that it be limited to a responsibility for 10 percent of losses incurred through bad debts.

Forgiveness of loans for borrowers who later go into certain occupations is deeply embedded in the act. Nevertheless, as forgiveness is extended to more fields, we view it with increasing misgivings. We have never been sure whether the provision of forgiveness for those who go into public school teaching is a recruiting device or a recognition that teaching has traditionally been an underpaid profession. The rapid extension of the forgiveness concept to private school teaching, to college teaching, to nursing, and to the practice of medicine in certain areas may well be undermining the whole concept of a loan as something that should be repaid. It unduly complicates the problems of those responsible for collection. Furthermore, it establishes a precedent for extending the concept to many other fields which are equally important to the public interest and which at the moment are equally underpaid. We would urge that the forgiveness concept not be extended to loans in any other field and that the Congress give serious consideration to eliminating existing forgiveness programs and move instead toward larger grant programs open to needy students regardless of the fields they wish to enter.

Work-Study

The enactment of the work-study program, established first in the Office of Economic Opportunity and later in the Office of Education, has provided an essential element in the financial aid package that can be offered by institutions to needy students. It has given many students an alternative to heavy indebtedness. It has made possible the creation of meaningful jobs. It has often enriched students' academic programs by providing work related to their career objectives. Nevertheless, as increasing numbers seek support through this program, the non-Federal matching requirement will become increasingly burdensome, particularly as colleges and other nonprofit enterprises under the provisions of the Fair Labor Standards Act will be required to pay a minimum wage of $1.00 per hour in February 1967, with a gradual increase to $1.60 per hour in 1971. We urge that the Federal share of support for the work-study program continue to be pegged at 90 percent for any employment in nonprofit enterprise. Such a provision should assure dynamic growth in the program commensurate with the increasing numbers of students requiring such employment. We also urge that because of the complex administrative and record-keeping requirements of the program, institutions be allowed to use up to 5 percent of their Federal allocation for administrative expenses, whether the work is performed on their own campuses or in other public or nonprofit enterprises.

Opportunity Grants

The purpose of the Opportunity Grants Program of the Higher Education Act of 1965 is to provide a base of financial support for needy students comparable to that base which more fortunate students can expect from their parents. The emphasis in the program has been on need rather than, within reasonable limits, on quality of performance, although an amendment to the original act does provide an incentive for academic achievement. We believe that the purpose of the program should remain unchanged. However, a number of provisions in the legislation prevent the financial aid officer from bringing to bear all of the programs at his disposal to assist a given student to balance his budget.

The act requires that no more than one-half of the students' need

may be met by an opportunity grant and that in no case may this grant be more than $800 (with the exception that an upperclassman who has already demonstrated outstanding achievement may therefore receive a $200 incentive award). The expectation is that the colleges and universities will endeavor to find assistance for deserving students from other sources. Unfortunately, however, college financial aid officers are limited by the act in the sources at their disposal. We urge that these officers be permitted to draw not only upon NDEA loan funds, state scholarships, and private sources, but also upon money the student will earn through work-study or borrow through the guaranteed loan program. The proscription against using other Federal fund sources serves in part to defeat the worthy purpose of the Opportunity Grants Program. If financial aid officers are to meet the needs of all applicants and make sufficient use of all available funds, they must be provided the maximum flexibility.

Guaranteed Loan Program

In 1965 the Council supported legislation that would provide a guaranteed loan program available to all students who wish to go on with their education. We advocated consideration of a program that would provide a small Federal subsidy of interest while a student is in college, with the expectation that he would pay a reasonable but unsubsidized rate of interest after graduation and during the repayment period.

As enacted, the program calls for a full Federal subsidy of interest while the student is in college and a heavy subsidy during the repayment period. Furthermore, the program contains no limitation that would prevent borrowing by students who are able to attend college without a loan. In fact, both colleges and lenders are prohibited from rejecting a loan application on the basis of lack of need.

To date, because of high interest rates, the program is barely off the ground. Banks are unable to lend, except in token amounts, at the rate specified in the legislation. In general, states have not come forward with guarantee funds, so that most of the guarantee money has come from Federal appropriations advanced temporarily to the states, which they must later repay.

It is our hope that these problems will eventually be resolved,

but even before they are, we would urge a full examination of the program's provisions. At present there is no legal basis for rejecting any applicant regardless of private assets available to him. This means that approximately 85 percent of all college students are automatically eligible to borrow $1,000 per year and to have all the interest on their loan paid by the Federal Government. The only limitation is the willingness of some lending institution to make the loan. A precise computation of the cost of this program is difficult, but we believe that if allowed to go on without restriction, it could result in a drain on the Treasury of several hundred million dollars per year. If there is, as there must be, a finite percentage of the gross national product available for the support of higher education, we believe that expenditures of this magnitude for what is at best a peripheral program are unwarranted.

We believe that the Congress should consider whether a need provision should be introduced into the legislation and whether the current level of interest subsidy is justified. Furthermore, we believe that fixing in legislation a specified interest rate, such as 6 percent, regardless of the conditions of the money market, is a mistake. We urge that the Congress consider proposals from the commercial lending organizations that would introduce sufficient flexibility in interest rates to enable lenders to provide funds for the program at least on a break-even basis.

COLLEGE TEACHER EDUCATION

If higher education is to meet the needs of increased numbers of students, an adequate supply of college teachers is obviously essential. Experimentation with the new media, with various approaches to independent study, and with other new techniques may well alter traditional concepts of proper student-teacher ratios. On the other hand, the expanding service functions performed by higher education are likely to offset gains made in teaching efficiency. There is no prospect of an appreciable reduction in the shortage of college teachers in the foreseeable future.

NDEA Fellowships

The brilliantly conceived fellowship program established in 1958 under the National Defense Education Act has become the founda-

tion for the production of college and university teachers. It has made possible the expansion of existing doctoral programs and inspired the establishment of new ones. It has made more effective the doctoral programs supported by other Federal agencies, such as the National Science Foundation and the National Aeronautics and Space Administration. That some students supported by the program do not, in fact, enter college teaching need not be a matter of concern, for they enter fields equally vital to the national welfare. We urge that the program be maintained and that it continue to focus on those who intend to earn the Ph.D. or equivalent degree. The university world demonstrably has sufficient need for manpower educated to this level to make funding the program at the authorized level of 7,500 new fellowships per year a matter of first priority.

A New Fellowship Program

It is apparent, however, that the NDEA fellowship program alone will not produce an adequate supply of college teachers, particularly those who aspire to careers in undergraduate instruction. The doctorate will probably continue to be regarded as essential for many who will devote their lives to the academic world, particularly in universities that emphasize research and graduate instruction.

There is, however, an increasing need, especially in the two-year colleges but also in the four-year undergraduate colleges, for those whose primary, or even sole, objective is to teach. Yet at the moment there is no Federal program, and few private ones, designed to prepare them for that career.

We urge the enactment of new Federal legislation which would award fellowships to institutions that wish to develop programs leading to a variety of sub-doctoral programs. These programs need not necessarily be regarded as terminal, for recipients might well wish to go on later to the doctorate. The programs should include, but not be limited to, traditional academic disciplines. There is, for instance, an acute shortage of teachers qualified to instruct in post-high-school subprofessional and vocational fields. The legislation to provide such a program should be sufficiently broad to permit a variety of experimental approaches, including the support of internships in college teaching.

NDEA Institutes

We again urge that Title XI of the National Defense Education Act be amended to permit programs for college teachers. It is essential that those who devote their lives to undergraduate teaching in instruction-oriented institutions have opportunity to keep abreast of their fields. Summer, and occasionally year-long, institutes can serve just such a purpose. Such opportunities have for years been made available through the National Science Foundation, with highly beneficial results; logic requires that similar opportunities be made available in programs of the Office of Education.

COST-SHARING AND MATCHING REQUIREMENTS

We believe the time has come for a wholesale review of the fiscal relationships between the Government and higher education. It is a truism that Federal programs have been enacted on an *ad hoc* basis, without a master plan or indeed often without any plan at all except to meet an obvious need on a crash basis. It is also a truism that both higher education and the Government have benefited. Nevertheless, as programs have increased in number and size, financial strains have developed that constitute a growing problem.

Most Federal programs require the commitment of institutional funds; virtually none pays full costs. As a result, some Federal programs tend to weaken rather than strengthen parts of the total system of higher education:

1. Federal programs are concentrated in a small number of institutions, chiefly those that have been able to provide the additional funds and resources required. Thus, the natural gravitation of Federal funds toward "centers of excellence" has been automatically, and perhaps inadvertently, increased.
2. Since the amount of discretionary funds available to even our strongest institutions is finite, current Government policies in effect draw institutional funds from programs not being supported by the Government in order to finance those being supported by the Government.
3. Since neither private philanthropy nor state appropriations are growing as rapidly as Federal programs, the deficit occa-

sioned by Government matching requirements is more and more being met through increased charges to students.

Cost-Sharing in Research

Of particular concern is the current Government-wide policy, written into legislation, that requires institutions to share in the costs of research supported by Federal grants. The Bureau of the Budget has interpreted this as requiring sharing "on more than a token basis." This requirement is siphoning tens of millions of dollars of institutions' discretionary funds into immediate and long-range Government missions. A surface plausibility for the policy is offered in the argument that there is a mutuality of interest between the Government and the university. But this is no truer of higher education than it is of industrial corporations. It is argued that cost-sharing spreads funds further and thus provides support for a greater volume of research. This argument is valid only from the limited perspective of an individual agency. The funds siphoned into Government-supported research might instead be used to support research in other academic fields. Compulsory cost-sharing, carried to its logical extreme, would make it impossible for institutions to engage in any research except that which attracts Government support.

Many institutions will choose to share in the cost of all programs. All will choose to share in the cost of some. Furthermore, all institutions engaged in research underwrite hidden costs, not readily identified and often not allowed in the auditing process. But cost-sharing should be voluntary and determined by each institution in the light of its own available resources. Otherwise, the desirable and inevitable growth of research, both basic and applied, in efforts to solve increasingly complex problems can lead only to a weakening of the institutions that must conduct this research.

Matching Requirements

There is possibly more justification for matching requirements now embodied in most non-research programs supported by the Federal Government. Here again, however, the test should be whether the requirement will strengthen the institution or weaken its financial stability and divert funds from programs of the institution's choosing into those which the Government suggests they "ought

to be doing." We do not advocate the abandonment of the matching concept. We do advocate that the institutional share be kept sufficiently modest to enable all institutions to participate and to avoid locking institutional funds into Government programs. Of special concern are programs that require an increased institutional share, after initial seed money has been provided by the Government, as programs mature. This is particularly onerous in student aid programs designed to bring into higher education more and more students with inadequate financial resources.

HEALTH PROGRAMS

Universities' responsibilty for the Nation's health requires special attention, for it is in this area that the three functions of higher education—teaching, research, and service (patient care)—are most clearly inseparable. The demands for more and better-prepared members in each of the health professions, for more knowledge that will be useful in the prevention and cure of disease, and for more effective ways to provide medical care are pressing, and higher education has a key role to play in meeting them.

It is of fundamental importance that the Federal Government coordinate, so far as possible, the administration of the many programs designed to meet in part the health needs of our society. For example, the construction of a modern medical center may involve grants from the Health Research Facilities Program, the Health Professions Educational Assistance Program, the Hill-Burton Program, the National Science Foundation, the Community Mental Health Program, and the National Medical Library Assistance Act. Under such circumstances it is obviously essential that policies, procedures, and timetables be coherent. Since funds authorized for each of these construction programs fall short of the demonstrated national need, we urge, at the least, full appropriations of the authorized sums.

The Health Professions Educational Assistance Act provides operating funds through basic improvement grants, contingent on expansion of enrollment in the entering class. In expanding enrollment in these professional schools, higher education committed itself to expenditures on a continuing basis. It is, therefore, vital

that the Federal share of this increased expenditure be provided on a stable basis at the level authorized. The act also authorizes special improvement grants which could, if appropriated, be the salvation of a number of professional schools seriously threatened by rising costs and increased demands.

The partnership between the Federal Government and institutions of higher education—as well as some other institutions—in health-related research has been increasingly effective over a period of years and offers the greatest long-range promise for meeting the health needs of society. The continued success of this national research effort will depend upon continued financial support that increases at least as fast as automatically rising costs.

GOVERNMENT RESEARCH POLICY

There can be little doubt that one of the most productive features of the Government–higher education relationship has been the advancement of knowledge—in science, in technology, and in health-related areas. Modest strides have been made in educational research, and at least a start has been made in the arts and humanities. But many fields classified as social sciences have been relatively neglected. In view of the potential contribution these fields can make to the solution of a host of social problems, it is essential that greater support be provided them.

In the main, the strides made through research have been possible because of the project system. Without this system, it might well have been impossible to increase the volume of research effort without an inordinate waste of public funds. Nevertheless, the project system has certain weaknesses. It tends to divert the loyalty of the researcher from the institution to the agency supporting him. It tends to encourage the researcher who thinks like his colleagues and to discourage the one with a new and imaginative approach. It tends to make it difficult for the young researcher to gain support until he has somehow established a reputation. And most of all, it tends to place a greater and greater administrative burden—including proposal-writing, grant-chasing, and reporting—on those who should be the most free to pursue their own inquiries.

We would urge, therefore, that as the Federal budget for re-

search increases, greater amounts be earmarked for institutional grants. That this approach too can be productive is amply documented by the success of our agricultural research programs. The institutional grant program of the National Science Foundation and the General Research Support provided by the National Institutes of Health are promising ventures in this field. So too is the NASA sustaining program. The recent leveling-off of Federal support of academic research is a matter of grave concern, and we urge that serious attention be given this problem. The project grant should probably continue to be the basic mechanism for the support of research, but as funds increase, greater support should be provided for institutionally determined research.

GENERAL INSTITUTIONAL SUPPORT

In the preceding paragraphs we have discussed the Federal investment in higher education category by category. We have done so because Federal programs have developed in just this way and because each program contributes to the strengthening of our colleges and universities. The strengthening has, however, been uneven. Many institutions with a potential for making major contributions to educating young people, to advancing knowledge, and to providing essential services have virtually been bypassed. Even in strong universities imbalances have been created.

One greatly encouraging effort to provide broad institutional support is to be found in the National Science Foundation's University Science Development Program, recently supplemented by two new programs designed to assist colleges and individual departments. We commend these programs and urge increased support for them.

These programs, however, are themselves an extension of the project system. We recommend that the next major step forward in the Federal effort to strengthen higher education be in the support of institutions as institutions. For unless additional financial resources are made available, the quality of higher education in this country cannot be improved; in fact, it cannot be sustained.

One might argue that the consumer—the student instructed—should pay more of the cost. But historically this has not been the policy followed by institutions, and it can be argued that if it had

been, only the affluent would have had access to higher education. It can also be argued that cost of instruction should determine the level of institutional fees, with the Government's role limited to providing financial aid for students unable to meet the cost. Because of the enormous expense of administering massive student aid programs, such an approach is probably the most expensive way of meeting the problem. Rather, the Government should seek ways to reduce the necessity of charging ever higher student fees.

What is needed, we believe, is a new program supporting general institutional development. Proper safeguards should be written into the legislation to exclude support of the sectarian activities of church-related institutions. Obviously, too, there should be some form of quality control if funds are not to be wasted on substandard programs. Regional accrediting programs can offer this control.

Higher education must, of course, continue to seek support from many sources. But the addition of Federal funds to those derived from state and local appropriations, from gifts, and from fees will enable each institution to strengthen its total educational effort. And as each institution is strengthened, the whole system of which it is a part will be better able to meet the Nation's needs.

This document presents the official views of the American Council on Education as determined by its Board of Directors at a meeting on January 26, 1967. The stated policies and proposals were developed by the Council's Commission on Federal Relations, which has primary responsibility in this area of concern.

Commission on Federal Relations

AMERICAN COUNCIL ON EDUCATION

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